



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35734]

Hilco SP Rail, LLC—Acquisition and Operation Exemption—RG Steel Railroad Holding, LLC

Hilco SP Rail, LLC (Hilco), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from RG Steel Railroad Holding, LLC, and operate as a common carrier over an approximately 12-mile line of railroad in Sparrows Point, Baltimore County, Md. (the Line). Hilco states that the operator of the Line will be MCM Rail Services LLC (MCM),¹ and that MCM will interchange traffic with CSX Transportation, Inc. (CSXT), and Norfolk Southern Railway Company (NSR). Hilco also states that there are no mileposts on the Line. According to Hilco, the sale of railroad assets was pursuant to an Asset Purchase Agreement (APA) dated August 7, 2012, which was authorized and approved by United States Bankruptcy Judge Kevin J. Carey on August 21, 2012, and which closed on September 14, 2012.² Hilco also states

¹ MCM filed a notice of exemption for operating authority over the Line on March 20, 2013, in MCM Rail Services LLC, d/b/a Baltimore Industrial Railroad—Operation Exemption—HRE Sparrows Point LLC, Docket No. FD 35725. Because MCM already had a petition for exemption for operating authority over the Line pending before the Board in MCM Rail Services LLC—Petition for Retroactive Exemption—in Sparrows Point, Md., Docket No. FD 35707, MCM's notice was held in abeyance by decision served April 5, 2013. MCM has since filed a motion to withdraw its petition for exemption. That motion is currently pending before the Board.

² Hilco recognizes that it should have sought Board approval sooner and requests that the Board confirm that it will not pursue an enforcement action against Hilco. The full Board has, in the past, confirmed that it will not pursue enforcement action where failure to file for Board licensing authority was inadvertent and no harm resulted. See,

(continued . . .)

there are no interchange commitments in the agreement between MCM and Hilco, and that there will be no interchange agreements in the interchange agreement between Hilco and MCM and CSXT or between Hilco and MCM and NSR.

Hilco states that it expects to consummate the proposed transaction on or after May 12, 2013. The earliest this transaction may be consummated is May 12, 2013, the effective date of the exemption (30 days after the exemption was filed).

Hilco certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than May 3, 2013 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35734, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E.

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e.g., New Brunswick Ry.—Continuance in Control Exemption—Me. N. Ry., FD 35520 et al., slip op. at 3-4 & n.2 (STB served Sept. 26, 2011). However, such a confirmation would require evaluation by, and decision of, the entire Board, and is not appropriate for the abbreviated context of a notice of exemption proceeding.

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Towson, MD 21204.

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“WWW.STB.DOT.GOV.”

Decided: April 22, 2013.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Jeffrey Herzig

Clearance Clerk

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